REMARKS

Claims 1-44 are pending. Claims 1, 7-11, 36, 38 and 44 have been amended without narrowing their scope.

Claim 38 was objected to due to an informality. That claim has been amended to overcome the objection by adding an apostrophe as suggested by the Examiner.

Claims 36 was rejected under 35 U.S.C. §112, second paragraph, as indefinite. As amended, the claim is clearly believed to meet the requirements of §112, second paragraph. It is requested that the rejection be withdrawn.

Claims 1-13 and 44 were also rejected under 35 U.S.C. §101 as not being statutory. The method claims have been further amended and are now even more clearly tied to a statutory apparatus, i.e., a system having a plurality of computers connected on a network. Withdrawal of the rejections under §101 is requested.

Claims 1-5, 8-15, 17, 18, 23, 24, 26, 31-34 and 39-43 were rejected under 35 U.S.C. §103(a) over U.S. Patent Publication 2007/239591 (May). Claims 6, 20, 21, 28, 29, 35, 36 and 44 were rejected under 35 U.S.C. §103(a) over May in view of Official Notice taken by the Examiner. Claims 19, 22, 27 and 30 were rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2002/91617 (Keith). Claims 7, 16, 25 and 37 were rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2003/9241 (Bansal et al.). Claim 38 was rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2003/18561 (Kinchen et al.). Applicants traverse.

Claim 1 recites, inter alia, the submission of credit limits specifically for an auction with the return of a notification of unused credit after the auction. Among other things, this provides the benefit of being able to allocate credit only for the period of the auction, so that credit is not tied up for long periods of time.

The system of claim 1 allows, for example, large amounts to be traded without unduly affecting credit limits. Orders are matched by conducting auctions at specified times. As well as submitting orders to an auction, participants are assigned credit limits for the duration of the auction, with unused credit being returned after the auction. This prevents credit being tied up for long periods of time and also avoids a rush into the market by executing matched orders against the benchmark price.

Independent claims 1, 14, 23, and 32 will be addressed first. The invention defined by these claims provides an advantage that credit is not tied up for long periods.

In response to the points set forth in the most recent Office Action, first, May's credit preferences are not the same thing as the recited credit limits. Paragraph [0202] of May makes it clear that he does not believe they are the same thing. At paragraph [0202], line 16, May states "[t]his is a significant difference from prior art systems that automatically decrease the amount available to trade with respective counterparty as transactions are executed," which clearly means that the credit preference system of May is not the same thing as credit limits that are reduced by the amount of a particular transaction, as in the present application.

As was pointed out in the response to the previous Office Action, credit preferences are a measure of risk (see, paragraph [0070] of May). Despite the name, "credit preferences" have nothing to do with credit limits; they are a measurement of risk. Paragraphs [0185] and [0186] of May explain that the credit preference feature of May is intended to handle long-term credit problems particularly those inherent in over the counter derivatives transactions. Paragraph [0185] of May explains the difference as to why credit limits are appropriate for foreign currency trading (a typical application of the present application) and not for derivatives trading (what May is about). Moreover, paragraphs [0188] to [0194] of May give details of three credit preferences. None of these credit preferences, however, refer to credit limits.

Specific positions taken in the Office Action will now be addressed.

The Office Action, in paragraph 20, took the view that at least paragraphs [0059], [0060], [0103], [0327], and [0328] of May are about credit limits. This is not the case, as these sections are all about *credit preferences* which are not credit limits for the reasons explained above. The present application defines "credit lending limits" and "credit trading limits", for example, at page 13, lines 28, 29, 33 and 34. These limits define how much trading a customer can do with each counterparty. In contrast, as defined at paragraph [0070] of May, credit preferences are a measure of risk in trading with a particular counterparty.

Further, the Examiner conceded that May does not explicitly disclose "notifying the participants of credit allocated to the auction but not used in matched orders" as required by claims 1, 14, 23, and 32 of the present application. However, the Office Action cited paragraph [0365] of May to support an argument that one of ordinary skill in the art would be aware that by not responding to an RFP, the credit allocated to the auction, but not used, would still be available.

However, the claims explicitly recite *notifying* the participant of the unused credit, not just the ability of the participant to figure it out for himself. Moreover, the Examiner's attention is drawn to the definition of a "request-for-price" in paragraph [0362]. In this paragraph, May mentions that an end user may create a market for the instrument by initiating the reverse auction by sending out a request-for-price to selected parties. In view of this, if the actions of not responding to an RFP, or letting the RFP expire, as suggested by the Examiner, were carried out, there would be *no auction at all*, as the auction is ***initiated by the RFP***. Therefore, in the scenarios mentioned by the Examiner, for example at the top of page 4, many of the other features of the claims could not possibly exist, such as receiving from participants orders related to the auction and receiving credit limits from them, as there would be no auction at all.

The Office Action also took the position that "notifying potential participants of an auction time" is disclosed at paragraph [0328] of May. However, the time-limit discussed in this paragraph relates to the "will-do-more" feature that is restricted to a predetermined time-limit. This feature is not related to an auction. As discussed in paragraph [0328] of May, if a counterparty hits the bid or lifts the offer and chooses to execute the full size of the amount and there are no more

orders at the same price, the view will be prompted with the ability to ask the other counterparty to do more and this is the "will-do-more" feature.

The Office Action also took the position that the feature of "conducting the auction at the time notified to the participants by matching the orders received" is disclosed at paragraphs [0281] and [0286]. However, the only mention of "time" in this portion of May is that it relates to the real-time aspect of the system, which does not relate to notifying an auction time to a participant.

For at least the reasons discussed above, independent claims 1, 14, 23, and 32 are believed clearly patentable over May.

Independent claim 44 relates to fixing benchmarks for an instrument to be traded at intervals during the trading day, which provides, for example, an advantage of avoiding a rush to market. Rather than address the arguments regarding claim 44 that were presented in the previous response, the Examiner has simply reiterated the prior objections to claim 44 from the previous Office Action. No reasoning has been provided as to why the arguments filed by applicants in response to the last Office Action were not found persuasive.

As mentioned in the response to the previous Office Action, the benchmark in May is set by the U.S. Treasury, and is independent of the trading system. On the other hand, in claim 44, it is the system that fixes the benchmarks. The amendments to claim 44, which address the Section 101 rejection, even more clearly emphasize that it is the system that fixes benchmarks, and not something separate from the system.

The other cited references of record are not believed by applicants to remedy the abovementioned deficiencies of May as a reference against the independent claims. For at least the foregoing reasons, the independent claims are clearly distinguishable over the cited art. The dependent claims are believed patentable for at least the same reasons as their respective base claims.

REQUEST FOR INTERVIEW

It is requested that before the next Office Action is issued, the Examiner contact the undersigned representative to arrange a mutually convenient time to conduct a telephonic interview relating to the outstanding issues.

In view of the above amendments and remarks, applicants believe the pending application is in condition for allowance.

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Respectfully submitted,

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